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Modern industrialism

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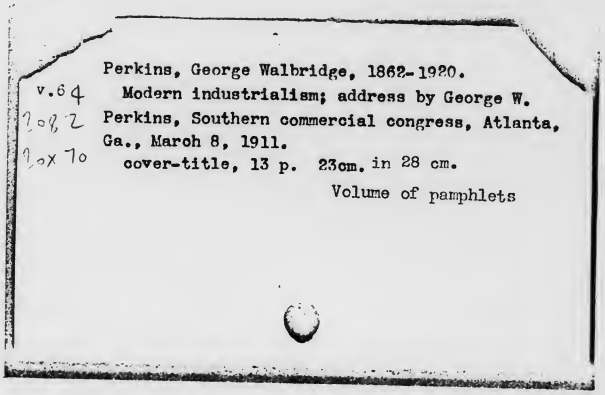

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MODERN INDUSTRIALISM

ADDRESS BY

GEORGE W. PERKINS

SOUTHERN COMMERCIAL CONGRESS
ATLANTA, GA.

MARCH 8, 1911

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MODERN INDUSTRIALISM

The human mind has been emancipated from the body. Electricity has given wings to the human mind, and it is the mind, not the body, that does business. When one contrasts the first ten years of the Twentieth Century with the first ten years of the Nineteenth Century one is staggered by the comparison. How little one Nation knew of another in 1810! Of how little interest or importance were the daily happenings, political, social and commercial, of one Nation to another in 1810! And then, presto, change! Of what almost vital interest and concern were the happenings, social, political and commercial, of one Nation to all other Nations in 1910. The world measured just as many miles in circumference in 1910 as it did in 1810.

In 1810 the shortest possible length of time required for a mind in the United States to communicate with a mind in Europe was between fifty and sixty days; whereas, we were recently informed that a mind on our Pacific Coast spoke to a mind in Japan, through the air, almost instantaneously, and that a new invention would permit eight people to talk simultaneously over one telephone wire without confusion.

The last one hundred years has been the supreme day of the inventor. Steam and electricity in his hands have annihilated distance and brought the people of the world face to face with one another and, therefore, face to face with entirely new problems in commercial affairs.

In 1810 the quickest way for Mr. A. to do business with Mr. B. was to transport his body over the earth until he reached the body of Mr. B.; or he

could sit down and with his pen laboriously write out in long-hand a communication which would take days or weeks to reach Mr. B. Mr. B. in turn would sit down and with his own hand answer that communication, and that would take days or weeks to reach Mr. A. In short, no mind could travel faster than could the body in which it was domiciled.

What do a thousand miles separating two bodies signify now when you can, without leaving your chair, place a tiny instrument at your ear and command the instant attention of the mind with which you want to do business,—a mind domiciled in a body that may be a block or a thousand miles away,—and know that your command has been honored by instantly recognizing, with your own ear, the actual voice that speaks for the mind that is in the body that is here, there, anywhere. Therefore, is it not true that electricity has emancipated the mind from the body and given it wings? And I repeat, gentlemen, that it is the mind and not the body that does business. Whether we like it or not, whether it is good for us or not, the great, big, undeniable fact stares us in the face that the inventor has brought us, by leaps and bounds, to the "get-together" age.

Inter-communication at the beginning of the Nineteenth Century, figuratively speaking, was on an "ox-team" basis. At the beginning of the Twentieth Century it is on a "wireless" basis. At the beginning of the Nineteenth Century inter-communication amounted to little or nothing; at the beginning of the Twentieth Century it is complete, world-wide. When merchandising by ox-team a State is the world; when merchandising by lightning the world is a township.

During this same period from 1810 to 1910, while the inventor has been performing such miracles, Nations, States and individuals have vied with one another in spending prodigious sums of money in educating the masses,—educating them not only to read and to write, but to think,—to think clearly, logically and, above all, independently; and the two great forces, unprecedented in magnitude since the world began, viz., intercommunication and education, have by their monstrous strides brought us face to face with the mighty problems demanding solution at the present time. The day is gone when people lived apart from one another, without intercommunication. Gone is the day when people were told by the Church and the State how and what to think; gone, never to return. The thoughts of one man in one City this morning are the thoughts of all men in all cities this afternoon.

While this startling transformation has been taking place, law-makers in the United States have not been idle; they have been as active as have been the inventors. Myriads of laws have been passed, having as their sole object the restricting, limiting and curtailing of business. While the inventor has been expanding the business man's opportunities the law-maker has been endeavoring to contract them. The clashing of these two great forces is largely responsible for our present conditions. While laws have been enacted having as their purpose the prevention of business getting together, we have had the uses of steam and electricity so perfected that the business world has been irresistibly drawn together, and the attempts of man to make laws that will nullify conditions that have come about through the conquest of the mysteries

of Nature will never permanently succeed. One might just as well attempt to legislate against lightning.

Electricity in the hands of man has been the creator of our modern corporations, and if a lot of good people will think a little more, if they will be logical, they will be forced to the conclusion that even a literal enforcement of the Sherman Anti-Trust law would not accomplish their desires. What they really want, in order to actually attain their ends, is a law making it a penal offence to use steam or electricity. A simple little law like that would take us back to the day of the ox-team, with its attendant methods of doing business.

What has happened has come about through evolution. The great business combinations of the day have come about naturally and solely because of the inventions of our time, applicable to business uses. There is not a man in this assembly who will not realize, if he will but stop to think a moment, that his father, had he been five times as able a man as he was, could not have begun to accomplish in business what his son can accomplish to-day, for the simple and sole reason that he had not the machinery with which to supplement his mental ability.

The first crying requisite for doing business is inter-communication. It is by this means that you get a customer, and the more readily you can get at your customer and the larger the number of customers you can readily get at, the more business you can do. In the day of the stage-coach and all the lack of inter-communication that went with that period, it was utterly

impossible for any one man or group of men to do a large business; there can be no possible question about that. To-day a man in any line of business, resident at any given point, has only to have the desire to quote a price on his wares to almost any other point, and he can do it at one moment and have an answer almost the next moment. Inter-communication has developed by leaps and bounds from a radius of a few miles to a distance only bounded by the circumference of the earth, and it is a striking fact that our business concerns have just about kept pace in their growth and development with the growth and development of inter-communication.

Have we, as a race of men, grown as rapidly mentally as these strangely new conditions have caused us to grow materially, or have we, almost unconsciously, created a hydra-headed monster of which we, the actual creators, are now desperately afraid? We all know the full meaning of the common expression "hide bound"; is it possible for a race of men to be "mind bound"; "mind bound" by inherited tendencies, ancestral traditions, legal precedents, fear and apprehension? It would seem to be clear, to be certain, that the inventor has freed the mind from the body, and allowed it to go here, there, anywhere at will, doing business in one place one moment, another place the next moment, and still another place the next moment, regardless of where the body may be.

If the mind were a visible thing and we could see with our very eyes the minds that nowadays are flying hither and yon through the air, seeking out and communicating with one another, having, through their method of transportation, entirely discarded their bodies, we could perhaps more

keenly realize the mighty transformation that has taken place.

If our minds are not bound by inherited tendencies, by traditions and legal precedents, then, in place of being filled with fear and apprehension as to what it all means, we will glory in the triumph of mind over matter, and rise to the heights necessary to properly comprehend the new world in which we are living, and set about, like the strong Twentieth Century men that we are, to find a way to methods that will make us masters of that which we ourselves have created. Take electricity, for example. We scarcely even know what it is. We know not whence it came nor to what it is leading. We do know that it is the most dangerous, the most deadly instrument with which man has ever dealt; but notwithstanding this do we legislate against its use under penalty of the jail? No, we do not, because we have found that, when properly regulated, supervised and controlled, it is, notwithstanding its mighty power for harm, a great boon to humanity. What have we done with steam? Much the same thing. For years we went on using steam in boilers that frequently exploded, but we used it just the same. Then a man invented a non-explosive boiler, and we finally have reached a point where explosions of steam boilers are exceedingly rare occurrences; yet we regulate, supervise and control their use.

A corporation is a composite of steam, electricity and men. We have learned how to regulate and control steam and electricity. Let us teach ourselves how to regulate and control a corporation.

The people have witnessed abuses, glaring abuses in corporation business methods. They have been told that these abuses came about largely because

of the size to which certain business enterprises had grown. For want of a better reason and for lack of real, deep thought, many have accepted the reason offered; but how un-American to be afraid of a thing because it is large! The true American,—he who thinks deeply, logically,—has no such fear or belief. It is not the size that he fears; it is the methods followed. He fears the management of a giant enterprise that is secretive, that does not respect public opinion, that does not realize that when its shares are owned by the public its managers are substantially public servants. He fears the methods of the blind pool. He wants to know, and he has a right to know, from disinterested third parties, viz., the Government, what is being done by a great business enterprise in which his money is invested or which is handling a commodity that affects his daily life. The officers of great corporations should realize that such concerns are more nearly public institutions than private property.

While the agitation of recent years has been unfair and harmful in many instances, it has set business men thinking, has awakened the business conscience, and has brought a new realization of the fact that it is as true of business as it is of the individual that there is no permanent success unless it be based upon integrity of character.

The American public is not afraid to use steam because it can scald, nor dynamite because it can explode, nor the express train because it can jump the track, nor the sixty-horse power automobile, nor even chained lightning; but we are afraid of a dishonest, corrupt, unfair and supremely selfish man. The art we must learn is to supervise, regulate and control the actions of men.

Why not profit by our experience of the last half century with our banking system? In the beginning we had all kinds of local banks, State banks, etc. As the country grew, as intercommunication developed, we were forced to make changes. It was seen that State Banks did not suffice. Great National Banks, doing an interstate business under federal regulation and control, became the order of the day. And now, if any federal banking laws are violated or a crime committed in a National Bank, federal authority seizes the man and punishes him. The Bank is not harmed; on the contrary everything is done to protect the Bank, its depositors, its stockholders. Our business concerns have grown from the local firm and the State company to the great interstate corporation; and what we must have is federal regulation and control of these great interstate business enterprises, and laws that will punish the man who commits the crime, not the stockholder or the public which is being served.

Federal regulation is feasible, and if we unite and work for it now we may be able to secure it; whereas if we continue to fight against it much longer the incoming tide may sweep the question along either to Government ownership or Socialism. The day has come when we need statesmanship in business and business in statesmanship.

One important reason why business men have feared regulation of business by the Government has been that such regulation would be performed by inexperienced men—those without business training, and who would have no practical knowledge of the great problems involved. I have long believed that we should have at Washington a Business Court, to which our great business problems

could go for final adjustment when they could not be settled otherwise. We now have at Washington a Supreme Court, to which is referred the final settlement of our legal questions. This Court is composed, of course, of lawyers only, and it is the dream of every young man who enters the law that he may some day be called to the Supreme Court bench. If such a call comes, it matters not how lucrative his practice, he always drops it for the honor conferred. Why not have a similar goal for our business men? Why not have a court for business questions, on which no man could sit who had not had a business training, with an honorable record? This would surely come to be regarded by business men in the same way that the Supreme Court is regarded by lawyers. The supervision of business by such a body of men, who had reached such a court in such a way, would unquestionably be fair and equitable to business, fair and equitable to the public. Furthermore, it would not take out of business that invaluable asset, individual initiative. It would leave the every-day management of business untrammeled and allow men free swing to devise ways and means to improve, enlarge and develop our domestic and foreign commerce.

It would give us a practical working arrangement by which more humane, co-operative methods could be substituted for ruthless competition. Competition at best means the success of one, the failure of another; it means cruelly low wages at one time, with the public paying the bills at another time; it means uncertainty always.

It is said for competition that it prevents monopoly and that monopoly would mean fleecing the public all the time. Competition that competes, that is real, that is earnest, under present condi-

tions of life, has become too destructive to be tolerated. Monopoly, complete and unrestrained, under private ownership or management, would alike be intolerable under present conditions of life. Some other method must be found, and it would seem to lie through the medium of co-operation, with federal supervision. By co-operation I mean a system of doing business by which all parties interested will enjoy the benefits of the business.

The millenium has not yet arrived, but no thoughtful man will deny that there has been a great awakening of the business conscience in recent years. The old motto, "Honesty is the best policy," in place of being more or less a beautiful sentiment, is coming to be more of a practical reality. The day has come when to be honest means not technically, legally honest, but broadly, humanely honest—honest in thought, in purpose, in act. Man is still selfish, and this must be seriously reckoned with in calculating what he will do in his relationship with his fellows. There is, however, such a thing as benighted selfishness and such a thing as enlightened selfishness. I believe that with the awakening of the business conscience is coming what might be called an enlightened selfishness,—by which I mean a realization that for one's own best pecuniary interests the methods of the past cannot be the methods of the future; that as we are living in a "get together" age we must do business on a "live and let live" basis, and that one's own selfish interest makes the doing of business on a co-operative basis more profitable in the long run than on the basis of ruthless competition.

But just as surely as you cannot have competition unless it competes, so just as surely you can only have co-operation that co-operates. I mean by this, co-operation in any given line of business will

fail unless it is co-operation between labor and capital, between capital and consumer, between company and government. Co-operation between labor and capital cannot be effected by the mere paying of wages and by the giving of gratuities or voluntary rewards at the end of the year. The great educational system of this country, fostered by the state and wealthy individuals, has made tremendous strides in the last quarter of a century in developing the independent thinker among the masses. You cannot spend a million dollars in educating one generation without having a million questions to answer from the next generation.

The question between capital and labor to-day is not so much the amount of wage a man should be paid as it is whether that wage is a fair proportion of the earnings of the business.

The closer the world is drawn together and the better people know each other, the better they understand each other and the more impossible it is to adopt and pursue secretive methods—to obtain for any one branch of a business unfair and improper profits; and one of the things that intercomunication has done has been to sound the death knell of secretive methods. More and more is public opinion demanding full, open and honest accounting from business concerns, and the more far-sighted business concerns that adopted such methods a few years ago are having less trouble with their labor and the public than other concerns, because both their labor and the public know what the profits of the business are and what percentage of its labor is receiving in wages.

And in connection with the relations of business to the Government, I believe that publicity, full and frank, will go a very long way toward correcting any evils that exist and preventing any that may threaten.

Each day it becomes more and more apparent that all questions in this country must be settled at the bar of public opinion. If our laws regulating large business concerns provide for proper and complete publicity, so that the labor of a concern would know what was being done, so that governmental authorities would know what was being done, so that stockholders would know what was being done, and the public, which was being served, would know what was being done, many of our present difficulties would disappear; and in place of this being an element of weakness to any given business concern, it would be an element of strength, for, under such conditions, a set of men operating a given business, if they were able enough mentally to be successful managers, would soon come to realize that they could only succeed by being fair to one and all.

I believe further that there is more safety to the public and to labor in having very large business enterprises than in having small or medium-sized ones; for the larger the undertaking is the more generally it is observed and the more thoroughly its affairs are scrutinized. Then, too, the large concern provides more steady employment for labor and minimizes to almost nothing the chance of financial collapse and failure.

With intercommunication so complete, there is no longer any South, any North, any East, any West.

We are one mighty unit, welded together with bands of steel and streams of electricity.

What affects one, affects all.

The real question, at base, is not commercial, financial or governmental, but moral; a question

of what is right and fair as between man and man—a very, very old question made new, acute and burning as never before, because we all have been drawn so closely together that the improper act of one man injures a larger number of men than ever before.

The need of the hour is for men of Southern honor and Northern strength; of Eastern conservatism and Western optimism.

We need Southern chivalry not only between man and woman, but between man and man.

Our past is secure.

Our present is a vast, unprecedented opportunity.

Our future—whatever we Twentieth Century men of the South, North, East and West, working mind and mind together, decide to make it.

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